

**DRS EMPLOYER ADVISORY COMMITTEE  
M I N U T E S**

**September 25, 2003**

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**DRS Members Present:**

Dave Nelsen, Chairperson; and Steve Nelsen, Legal/Legislative Services Manager.

**Additional DRS Staff Present:**

Brian Berghoff, Employer Support Services; Jeralyn Faulhaber, Administrative Services, and Linda Watson, Employer Support Services.

**Employer Members Present:**

Joanne Amrine, Chehalis School District; Gail Davila, City of Bellevue; Tom Gaines, Washington School Information Processing Cooperative (WSIPC); John Goetz, Center for Information Services; John McGuire, Department of Social and Health Services; Michelle Mortimer, City of Olympia; Nancy Savage, Pierce County; Pamm Scott, Bellevue Community College; Sally Spangler, Washington State Patrol; Susan Sparks, Human Resources Information Systems Division (HRISD); and Chandra Winston, Port of Seattle.

**Additional Employer Attendees:**

Sharon Brown, King County; and Bruce Yates, King County Metro.

**Employer Members Not Present:**

Rachel Brock, University of Washington; Mary Christle, Educational Service District; Cindy Lee, King County; Marcia Moore, Central Kitsap School District; and Reagan Ulrich, Chelan County PUD 01.

**Agenda Items:**

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| • Welcome and Announcements<br><i>Dave Nelsen</i> | • Online New Hire Tutorial Presentation<br><i>Brian Berghoff</i> |
| • Legislative Update<br><i>Steve Nelsen</i>       | • Open Discussion<br><i>Committee</i>                            |
| • Employer Education<br><i>Brian Berghoff</i>     | • Agenda Items for Next Meeting<br><i>Committee</i>              |
| • Employer Survey<br><i>Dave Nelsen</i>           |  |

## **WELCOME AND ANNOUNCEMENTS**

Chair Nelsen welcomed Committee members and visitors and thanked them for attending. He went on to make several announcements:

- Lucille Christenson, Assistant Director for Retirement Services has taken a job as Special Assistant to the Insurance Commissioner. Dave Nelsen has been appointed to fill this position in an interim capacity. He will also continue to manage the Administrative Services Division in his current capacity, until a replacement for Ms. Christenson is hired. If employers need to contact Mr. Nelsen, they can reach him mornings at (360) 664-7069 and in the afternoons at (360) 664-7304. He will be juggling dual Assistant Director hats so asked for patience in the response to requests or questions.
- The Association of Washington Cities has appointed Gail Davila from the City of Bellevue as their representative to the Employer Advisory Committee (EAC) to replace Bridgette Hoopes. Chair Nelsen welcomed Gail to the Committee.
- John McGuire, Department of Social and Health Services, has been appointed to replace Liz Hoffman to represent State Agencies on the EAC. Chair Nelsen welcomed John as an official member of the EAC, although he is not a stranger to the Committee. His active involvement and valuable feedback to the Committee as a regular visitor has been appreciated.
- Chair Nelsen will be out of the office at a Management Team Work Session during the December 4, 2003 EAC meeting so will not be in attendance. Brian Berghoff will Chair the meeting in his place.

## **LEGISLATIVE UPDATE**

Steve Nelsen, Legal/Legislative Services Manager, provided an update of interim legislative activities.

### **Select Committee on Pension Policy (SCPP)**

During the 2003 legislative session, the Joint Committee on Pension Policy (JCPP) passed SHB 1204, which abolished the JCPP and created the new Select Committee on Pension Policy (SCPP). This new committee is made up of 20 members, of whom eight are legislators, and 12 are stakeholders, which includes the directors of DRS and the Office of Financial Management. Mr. Nelsen went on to explain that the SPCC has had one meeting to date, which was procedural in nature. The SPCC plans to meet monthly and will discuss primarily policy issues at the next meeting. They will work towards developing legislation to submit for consideration during the next legislative session. There are currently no plans to introduce new policy issues, but only to bring forward any policy discussions left over from the 2003 Legislative Session. Mr. Nelsen also noted that John Charles, DRS Director was elected to the Executive Committee. Policy issues for upcoming discussion include:

- **Retire/Rehire** – The SCPP plans to complete a report on this topic, including any recommendations for statutory change, before the 2004 Legislative Session begins.
- **PERS Public Safety Officers** – Mr. Nelsen explained there are a number of PERS groups who have sought to be included in the LEOFF Retirement System. This topic was raised in a number of bills last session. The SCPP created a Public Safety Sub-Committee, which will meet on October 6, 2003 to discuss the issues they would like brought before the SCPP.

- **ESAs** – Educational Staff Associates (ESAs) who work less than 75% in an instructional capacity have their average final salary calculated on a different basis than ESAs, whose duties are at least 75% instructional. The Professional Educator Standards Board requested that the Committee pursue legislation that would apply the same calculation methodology to all ESAs.

Employer representatives were nominated by their associations and appointed by the Governor. For a complete list of SCPP members, access the DRS Web site at:  
<http://www.drs.wa.gov/leg/scppmembers.htm>.

### **LEOFF 2 Board - Governance**

This Initiative passed last legislative session, to create and oversee the administration of the LEOFF 2 retirement plan only. The Board is made up of 11 members; three police officers, three firefighters, three employers and two legislators. The next meeting is tentatively scheduled for October 15, 2003.

Mr. Nelsen noted that DRS would have the same relationship with the LEOFF 2 Board as they have had with the JCPP. Since this is a new board, DRS is currently focused on providing education on DRS operations and pension administration policies to these new board members.

A question was asked as to what the new Civil Service Reform Act could potentially do to retirement benefits? Per statute, retirement benefits are one item that cannot be bargained.

Mr. Nelsen told the EAC to feel free to contact him with any questions they may have regarding legislation by phone at (360) 664-7308 or by email at [steven@drs.wa.gov](mailto:steven@drs.wa.gov).

For the latest information related to pension legislation, you can access the Legislation Page on the DRS Web site at: <http://www.drs.wa.gov/leg/index.htm>.

### **LEGISLATIVE IMPLEMENTATION UPDATE**

Brian Berghoff, Employer Relations Manager, provided an update on implementation activities of pension legislation that passed during the 2003 legislative session.

### **SERS Substitutes – SB 5094**

Employer Support Services emailed employers a New SERS Classified Substitute's Fact Sheet and a Guide and Application for SERS Substitutes to apply for service credit. Also included was an updated table documenting the reporting rules for SERS Substitutes. Based on the different types of jobs one employee can have, all of the information should be given to the substitute on a quarterly report and/or submitted to DRS on the transmittal report. The automated rules for reporting substitutes via the transmittal process will be sent to employers in December and will be implemented with the 2004-2005 school year.

### **PERS Plan1/TRS Plan 1 Retire/Rehire – SHB 1829**

A DRS Notice will be mailed on Retire/Rehire legislation that passed in the 2003 Legislative Session this week, which outlines the specifics of how the changes to this legislation will impact employers. To access the Employer Notice on Retire/Rehire legislation, please go to the DRS Web site at: <http://www.drs.wa.gov/employer/drns/index.htm>.

The current *Thinking About Working After Retirement* brochure covers all PERS Plans (1, 2 and 3). Because of the statutory changes in the Retire/Rehire legislation, DRS is working on a revised version of the brochure for PERS Plans 2 and 3, and is creating a brand new brochure for PERS Plan 1.

DRS is also working on the communications process to notify employers and members, either by email or by letter, that the retiree/employee is getting close to their hourly limit and to warn that if they continue to work beyond that limit, their benefit will be suspended or reduced. Another piece of this legislation clarified in this Notice, is that employers could be responsible for unemployment benefits if they let a retiree go, due to the lack of available work.

### **Fish and Wildlife Enforcement Officers into LEOFF - HB 1205**

DRS is currently processing transmittal information for affected employees due to the passing of this legislation. Brian expressed his appreciation to HRISD for assisting with the implementation of this new law.

### **EMT's into LEOFF - SHB 1202**

Documentation has been sent to affected employers and an article placed in the *Retirement Outlook*. DRS has made contact with the 20+ members that this legislation affects.

### **\$150,000 Death Benefit - HB 1207**

DRS is revising the current Beneficiary Forms to consolidate them into one form, which would be used for everyone. LEOFF/WSP employers will be asked to send DRS the 150K forms they have on file for their members. Communication from DRS to employers regarding this request will come later.

It was suggested that DRS include beneficiary information on the Annual Statements in the future. Chair Nelsen commented that space might be an issue due to the amount of information DRS already provides on the current Annual Statement.

## **EMPLOYER EDUCATION**

Brian Berghoff continued and updated the Committee on the status of employer education activities. Employer Support Services is currently half way through Phase 2 of Statewide Training. Brian encouraged employers who would like to attend a training session to sign up for one on the DRS Web site at: [http://www-app3.wa.gov/drs/registration/statewide\\_index2.htm](http://www-app3.wa.gov/drs/registration/statewide_index2.htm).

Brian went on to discuss the different publications that have been updated and placed on the DRS Web site, Employer Page. These helpful publications include: The *DRS Employer Guide*, *eServices User Guide* (including changes per the addition of Deferred Compensation Program services) and Ongoing Plan 3 Items (including additional communications, sample letters for employers to use, etc.). The *Employer Handbook* will be updated in November or December; and as many already know, DRS will no longer be sending paper copies of the *Handbook*. However, a printable PDF version is available on the Web site in addition to the HTML version, should employers need or prefer a paper copy.

**EMPLOYER SURVEY**

Committee members were given a draft version of the 2003 Employer Survey and were asked to provide any feedback on it to Dave Nelsen at [daven@drs.wa.gov](mailto:daven@drs.wa.gov) or to Jeralyn Faulhaber at [jeralynf@drs.wa.gov](mailto:jeralynf@drs.wa.gov). The survey will be sent to employers in October 2003 with results presented at an upcoming EAC meeting. Members will notice there is not a “big question” included in the survey regarding potential new services like there has been in the past. DRS will be working to maintain current services and is not anticipating new services at this time.

**ONLINE NEW HIRE TUTORIAL PRESENTATION**

Brian Berghoff provided a tour of the new online *New Hire Pyramid Tutorial* located on the DRS Web site. This tool was created to assist Human Resources and Payroll Personnel understand what to do to ensure that new employees are reported correctly to DRS. Links to useful tools are part of the *Pyramid*. Brian guided the Committee through the tutorial, which takes the user through each step of retirement reporting for a new employee. It provides direction on issues such as: Eligibility, Member Reporting Verification, Employee Reporting, access to Member Handbooks, Plan 3 Investment Education, access to PERS New Member Plan Choice materials, and various retirement forms needed to report retirement or advise employees on their pension plans. If employers need additional support or have feedback on the *New Hire Pyramid*, they can call DRS Employer Support Services at 1-800-547-6657, option 6 or email their comments/questions to [drsemployer@drs.wa.gov](mailto:drsemployer@drs.wa.gov). The online *New Hire Pyramid* tutorial can be accessed on the DRS Web site at: <http://www.drs.wa.gov/employer/tutorials/index.htm>.

Brian Berghoff then introduced Linda Watson of the Employer Relations Unit and commended her for a job well done on this project. He also wanted to recognize her expertise in keeping the Employer Web site up-to-date and for her valuable work on many other projects that benefit employers. Brian ended his presentation by asking the Committee to be watching for more online tutorials in the future!

**OPEN DISCUSSION****IRS Approval on Plan 3 Contribution Flexibility**

A question was asked on the status of IRS approval for PERS and SERS that would allow Plan 3 members to change their contribution rate annually. DRS is moving ahead to allow this flexibility for TRS as approval has been received from the IRS for this plan. However, DRS has not yet heard from the IRS regarding the same flexibility for PERS and SERS. Even if DRS were to receive approval in the near future, it couldn't be an option for the upcoming year, due to the amount of time needed to implement and communicate with members and employers.

**Information Sharing**

Employers asked if it would be possible for DRS to notify them when a member passes away? It was explained that not having this information available has caused administrative issues and additional work for employers on the back end of the process. There is a real balancing act between giving employers the information they need to get their job done, and the need to protect members' privacy.

### **Duplicate Verification of Employment Requests**

Employers reported there are times when they receive duplicate requests for Verification of Employment (VOE). Some of these requests can take a significant amount of employers' time to research, only to find had been another request at an earlier time that has already been researched, determined and documented.

Does DRS check their member records for previous responses to requests, before sending them to the employer? Chair Nelsen indicated that it is his understanding that DRS does check previous requests and that employers should not be receiving new requests from DRS that cover previously researched time periods. DRS should only be asking for new time periods requested that are not covered by a previous request. He asked the Committee to please contact him and provide the Social Security Number of any duplicate requests sent to them by DRS.

### **AGENDA ITEMS FOR THE DECEMBER 4, 2003 MEETING**

Brian Berghoff will Chair the December 4, 2004 meeting in Chair Nelsen's absence.

- An EAC meeting schedule for 2004 will be disseminated prior to the next meeting and discussed and adopted at the December 4, 2003 meeting.
- Structure and bylaws of Employer Advisory Committee
- Secured email software
- For future agenda consideration - any impacts to retirement due to Civil Service Reform, if needed.

A confirmed agenda will be available on the Employer Advisory Committee Web site in mid-November 2003 at <http://www.drs.wa.gov/employer/eac/index.htm>.

### **NEXT MEETING**

The next EAC meeting is scheduled for December 4, 2003 from 9:30 a.m. to 12 p.m., at the DRS Point Plaza West building, located at 6835 Capitol Boulevard in Tumwater. Please see the map to DRS on the EAC Web site for directions to the facility at: <http://www.drs.wa.gov/agency/mappage.htm>.

### **PARKING FOR THE MEETINGS**

There are visitors' parking spaces located in front of the building, as well as spaces reserved by orange cones for Committee members. You may also park in any stall that is not marked for another agency such as DSHS or OFM.

### **QUESTIONS?**

If you have any questions, please contact Dave Nelsen at (360) 664-7304, or toll-free 1-800-547-6657 ext. 47304 or by email at [daven@drs.wa.gov](mailto:daven@drs.wa.gov).